

## CITY COUNCIL AGENDA ITEM COVER MEMO

Agenda Item Number \_\_\_\_\_

Meeting Type: Regular

Meeting Date: 9/12/2013

Action Requested By:  
Legal

Agenda Item Type  
Resolution

Subject Matter:

Invoking letter of credit.

Exact Wording for the Agenda:

Resolution authorizing the Clerk-Treasurer to Invoke Progress Bank Letter of Credit No. 9000178400 for the Sanctuary at River Ridge Phase 2 Subdivision.

**Note: If amendment, please state title and number of the original**

Item to be considered for: Action

Unanimous Consent Required: No

Briefly state why the action is required; why it is recommended; what Council action will provide, allow and accomplish and; any other information that might be helpful.

Associated Cost:

Budgeted Item: Not applicable

MAYOR RECOMMENDS OR CONCURS: Yes

Department Head: 

Date: 6-27-13

RESOLUTION NO. 13-\_\_\_\_\_

WHEREAS, Progress Bank issued a certain letter of credit (No. 9000178400), a copy of which is attached hereto and incorporated herein by reference, including any amendments thereto, in favor of the City of Huntsville, Alabama pursuant to Article 5 of the Subdivision Regulations for the City of Huntsville, Alabama; and

WHEREAS, the letter of credit is due to be invoked and the proceeds used in accordance with said subdivision regulations.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Huntsville, Alabama, that the City of Huntsville Clerk-Treasurer be and is hereby authorized to present for payment to Progress Bank Letter of Credit No. 9000178400, prior to the expiration date thereof, with the language as specified in said Letter of Credit.

ADOPTED this the 12th day of September, 2013.

\_\_\_\_\_  
President of the City Council  
of the City of Huntsville,  
Alabama

APPROVED this the 12th day of September, 2013.

\_\_\_\_\_  
Mayor of the City of  
Huntsville, Alabama



**IRREVOCABLE LETTER OF CREDIT NO. 9000178400**

**Beneficiary:**

City of Huntsville  
P. O. Box 308  
Huntsville, AL 35804

**Account Party:**

Northbrook, LLC  
809 Shoney Drive  
Huntsville, AL 35801

**Bank:**

201 Williams Avenue  
Progress Bank and Trust  
201 Williams Avenue  
Huntsville, Alabama 35801  
Phone 256.319.3600

**Subject: Article 5 Sidewalk Letter of Credit for The Sanctuary at River Ridge Phase 2 a Resubdivision of tract A of the Sanctuary at River Ridge a Resubdivision of Lot 2 of Albert Walls Estate and Other Lands**

**Amount:** \$128,875.00  
**Issue Date:** 09/19/2012  
**Expiration Date:** 09/25/2013

Gentlemen:

We hereby open our Irrevocable Standby Letter of Credit # 9000178400 In your favor, effective September 19, 2012, for a sum not to exceed \$128,875.00. Available by your one or more Drafts at SIGHT on us.

All draft(s) drawn under and in compliance with the terms of this Credit prior to the expiration thereof will be duly honored if drawn and presented for payment to Progress Bank and Trust.

Each draft must be accompanied by a statement signed by a representative of the City of Huntsville, Alabama, stating that the draw is being made pursuant to Article 5 of the Subdivision Regulations.

**The original of this Letter of Credit must be presented with any drawing.**

We hereby engage with you that drafts drawn under and in compliance with the terms of the credit will be duly honored upon presentation and delivery of the documents as specified.

This Letter of Credit shall be governed by the laws of the State of Alabama, including but not limited to, the Alabama Uniform Commercial Code, as the same may be from time to time amended.

JEP Buchanan  
Executive Vice president

Sworn to and subscribed before me this 19 day of Sept. 2012.

NOTARY  
PUBLIC

My Commission Expires 06-16-2014

OK  
GEM  
9/27/12

LS 9-19-12

62 KCA 9/20/12